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REPORT  
OF THE  
WINDSOR ECONOMIC COMMITTEE  
OF THE  
ONTARIO ECONOMIC COUNCIL  
ON THE  
WINDSOR COMMUNITY



Report of the  
WINDSOR ECONOMIC COMMITTEE  
of the  
Ontario Economic Council  
on  
The Windsor Community

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## FOREWORD

On December 20, 1962, Premier J. P. Robarts announced that he had asked the Ontario Economic Council to establish a committee to conduct a full scale inquiry into, and to recommend policies to make maximum use of the Windsor area. On January 3, 1963, six members were named to the Windsor Economic Committee, and on January 18, four were added.

Prior to the formation of the Committee, many interested groups in the Windsor area had submitted reports and recommendations to various levels of government on a variety of subjects. The Windsor Economic Committee at its first meeting agreed that all these reports would be reviewed, and that the recommendations on which Committee members agreed would provide the framework for the Committee's submission.

When all earlier reports had been reviewed, a start was made on the drafting of an outline. It soon became apparent that considerable research would be required to provide a document acceptable to all members of the Committee, and beneficial to the Windsor area. After deliberation, faculty members of the University of Waterloo and the University of Windsor were chosen to provide additional research, and to furnish a draft of a report for consideration by the Committee.

After months of study, this group presented a report to the Windsor Economic Committee. Though the Committee chose to rewrite the report, the outline was acceptable, and facts uncovered by the group's research were enlightening.



BACKGROUNDTHE MAJOR PROBLEM - UNEMPLOYMENT

Employment levels in the Windsor area are inextricably linked with the success of the automobile industry, the primary employer in the community. At the beginning of the century, Detroit automobile manufacturers saw Windsor as the most logical location for entry to the Canadian and Commonwealth markets. During the last decade changing market forces have led segments of the Canadian automobile industry to locate some of its operations closer to the concentrated market around the western end of Lake Ontario.

When Ford of Canada moved its assembly operation to Oakville, Windsor faced a staggering unemployment problem from which the City has not fully recovered. To make matters worse, a number of automobile parts plants moved closer to Toronto in order to be near their customers. In the meantime Ford of Canada is continuing to move other substantial sections of their operations to the Toronto area. While a great deal was said in the public press about the poor labour image presented by Windsor and other reasons for moving, at no time did Ford or the parts plants blame anything other than market changes or economic reasons for their decision to move.

This loss of a major segment of the automotive industry as well as a number of non-automotive companies resulted in serious unemployment. During the last decade manufacturing employment in the Metropolitan area dropped from a high of \*43,000 in 1953 to a low of 27,000 in 1961. This represented an annual loss of approximately fourteen million dollars in payrolls. Therefore the Windsor Economic Committee considers unemployment to be the critical problem of the Windsor area. There are several major reasons for this serious unemployment situation:

- (a) A levelling off of business activity and industrial growth following earlier years of rapid expansion.
- (b) Subsequent insufficient expansion of existing industry.
- (c) Migration of industry from the area.

INTRODUCTION

THE MAJOR TOWNS - WINDSOR

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- (d) Inability to attract enough new industry to offset the loss of jobs.
- (e) Production scheduling in the automotive industry so that large sectors of the labour force are employed only for part of the year.
- (f) Cyclical market fluctuations within the automobile industry on which the area has been largely dependent for its economic health.
- (g) Lowered production activity within the automotive industry during a period of several years when it was in the economic doldrums. (A remarkable resurgence by Chrysler has greatly improved this situation but this fact pinpoints the importance Chrysler Corporation will assume in the future in relation to employment levels).
- (h) Automation and other technological changes. The committee was presented with a research bulletin from the U.A.W. which used DBS figures to show that while the production of automobiles has very substantially increased, the employment of automobile workers has been very substantially reduced.
- (i) The existence of so many high school drop-outs and others whose training and skills are not adequate or marketable.

#### APPROACH TO THE PROBLEM

Following intensive study of the various reports, a check-list of the assets and liabilities of the area was prepared. From this list several problem areas were extracted and organized under major headings. It was evident to the Committee that, given the time and resources available for the present study, not all these problem areas could be effectively dealt with in this report.

It was decided that there were three major areas on which our report should concentrate.

1. Labour-management relations and costs.
2. Market expansion and industrial development.
3. Community betterment and municipal efficiency.

These are basic facets of Windsor's economic problems. The solutions to problems in these areas can be initiated immediately by the Windsor community.



Unless the problems in these three areas are solved, other solutions will be temporary only.

There are other problems which require provincial and federal government action for solutions. The community itself cannot do much in respect to these and any improvement will take time. We see the following problems falling in this category: (i) freight rates, (ii) industrial relocation legislation, (iii) retraining of labour, (iv) tax adjustments, (v) depreciation allowances, and (vi) tariff and customs regulations.

After some deliberation, we recognized certain conditions which had to be faced if we were to approach the assignment realistically. Although we have not provided supporting evidence for them, all are based on facts which can be documented.

#### Difficulty of Attracting New Industry

Unless action is taken to improve the situation the probability is slight that a significant number of new large companies will move into Windsor in the foreseeable future. This may be discouraging in view of Windsor's need for employment, but this probability is based on experience and a realistic review of the facts. An examination of the companies that have moved into Windsor in the past ten years shows that only small companies have appeared while both large and small have left. The important point, however, is that there are many small and diversified industries which can be attracted and which can, over a period of time, grow to become significant employers within the community.



### Probability of Further Loss of Industry

The possibility of additional industries leaving Greater Windsor represents the greatest threat to the area's levels of employment, income and prosperity. The Windsor community provides a market geographically remote from the main Ontario market. This fact presents a continuing economic question to a number of companies regarding their best location. No one will permit himself to be quoted that this or that particular company is likely to leave. The following facts verify the existence of this risk:

- (a) There are companies that supply products to firms outside Windsor and some additional shifts in markets would make it economically wise for these companies to relocate.
- (b) There are companies complaining of certain high operating costs peculiar to the area, e.g. freight rates.
- (c) There are companies whose facilities are outmoded and will have to be rebuilt in the near future.

These factors indicate a threat that is present, and one which is certainly frightening to the people of Windsor insofar as there are indications that more employers may leave in the future.

### Urgency for Holding and Expanding Existing Industry

Since it is unlikely that the Windsor area will attract significant large industry and since there is a possibility that established businesses may leave, the major emphasis must be placed on continuing to encourage existing industry to remain and expand in the Windsor community. The Battelle Report urged that Windsor become more concerned with fostering the growth of existing industries and appreciating their problems than with concentrating on the securing of new plants.



### Dominance of the Automobile Industry

The automobile industry which is characterized by a fluctuating demand for its products will continue to dominate the economy well into the future. Further, this industry is concentrated in the operations of Chrysler of Canada which has all of its manufacturing and assembly activities centralized in the Windsor area. The seasonal and cyclical characteristics of automobile production will therefore be reflected directly in employment levels.

### Image of the Windsor Community

The question of "image" relates to all three problem areas previously mentioned; labour-management relations and labour costs; market expansion and industrial development; community betterment and municipal efficiency. We believe that it is impossible to exaggerate the value of developing a widespread conviction that Greater Windsor is a good place in which to live and work.



LABOUR-MANAGEMENT RELATIONS AND LABOUR COSTSIMAGE OF THE CITY

Twenty-five years ago, Windsor was the cradle of Industrial Unionism and because of the resistance to recognition of unions by automobile companies, Windsor became a centre of a struggle for Union recognition that is now provided for in the laws of all provinces. This struggle was going on simultaneously in Oshawa and St. Catharines, where major plants of the automobile industry are located, and in Hamilton where the large steel companies also resisted recognition.

The national press took full advantage of the situation, and as the larger plants of the auto industry were in Windsor, most of the publicity relating to this struggle was focused on Windsor. As a result of this historic notoriety, Windsor is given disproportionate publicity whenever a labour-management dispute occurs regardless of its magnitude.

Largely because of this, Windsor would appear to have a poor reputation from a labour-management relations point of view. This is evident from the frequency with which this subject appears in the various reports reviewed. It is evident from the remarks of individuals who have occasion to discuss the City and its problems. It is evident from the discussions members of the Study Group had with individuals who were deliberately tested in their reactions to the City as a place to live and work. It is evident from the attention which this topic receives in the pages of the metropolitan and national press. The situation is aggravated by every rumor of a company threatening to leave the City no matter what the reasons may be. It has been inflamed recently by the decision of the Ford Motor Company of Canada to transfer its Parts and Accessories Division to the Toronto area to effect



national distribution economies.

There are a number of closely related aspects which make up the total image of the City. In the first place, the public thinks of it as a one-industry City, invariably associating it with the automobile industry just as individuals associate Sarnia with petro-chemical industry, Hamilton with steel and steel products, etc. Inevitably, too, the public associates the automobile industry with highly cyclical employment and prolonged periods of lay-off although the situation in the industry has been much improved in this respect in recent years.

In the second place, it is regarded rather widely, despite some evidence to the contrary, as a high labour cost area resulting from the dominance and influence, actual or otherwise, of the automotive industry. The public is generally aware, too, of the impact which automation innovations have had in this industry with their dislocating effects on the labour force.

Thirdly, the public sees Windsor as a centre of aggressive unionism on the one hand and two-fisted management on the other. Everyone in the community has been exposed, directly or indirectly, to the consequences of the more serious altercations in which management and labour have been involved.

Fourthly, the public sees the City as a community with problems, both social and economic, because of the movement of industry away from the area to other centres where (a) markets are closer; (b) unionism is less aggressive, or (c) the social, and physical environment is generally more pleasant.

Fifthly, Windsor has not been as attractive a city as it might have been in which to live and work. The community is considered fully in Section IV of the report but if it fails to appeal as a residential area it will likely fail to appeal as an industrial area.



Very briefly these are the highlights of the picture which the prospective employer has in mind when he thinks of Windsor. The birthplace of Canadian auto manufacturing, the doorway to the central trading region of the U.S.A., the trading centre for "the Sun Parlour County" - these and other positives are all pictures in the mind when one thinks of Windsor, but as an industrial centre of national importance the picture becomes one of a city where the images we have described above overshadow the very real and potential merits of this municipality.

We feel that the image of the City is, in summary, one that is not as attractive as it could be to prospective industry. While this may be a distorted image, it is a factor affecting plant location decisions. Employers are tempted to dismiss Windsor as a possible location on the strength of this image even though the area should, on the basis of fact, merit consideration by particular companies. The citizens of Windsor are aware of the image it has presented in the past. There is hope that the image is softening and changing resulting from steps taken to effect this change. But the reputation still persists and while it does, this will be one of the City's major problems.



### LABOUR-MANAGEMENT RELATIONS

Analysts who have reviewed the labour relations history of the City are quick to point out that both unions and management had grounds for the hostility and bitterness which featured their relationship. Most observers agree that a great deal of the aggressive unionism which has characterized the automobile industry arose because of the nature of the industry itself, with its large size, extreme division of labour, work pacing on assembly lines, all of which make for a loss of identity on the part of the worker and resulting frustration and depersonalization. On the other hand this same industry provides a level of earnings which is higher than many others and the workers themselves are quick to recognize this.

#### Management Aspects

The large size of the companies engaged in automotive manufacturing deserves special mention. These companies completely overshadowed other companies and institutions in the area. They encouraged the growth of a supplier industry complex which exaggerated even further the already lop-sided industrial make-up of the City. Because of their power and influence and the total demands which operating responsibilities imposed on them, management's identification tended to be with the parent company across the border instead of with the Windsor community.

This latter fact was an unfortunate one because it tended to separate this group from the rest of the leadership group in the community. It created a barrier which was difficult to break down when labour-management relations turned sour.



Another aspect of the automobile industry which in the past has aggravated the labour relations atmosphere has been its seasonal nature. It was all too common for extended layoffs to occur in the industry from the time that the model run for the year had been completed until production began for the new model year.

### Labour Aspects

The International United Automobile Aerospace and Agricultural Implement Workers of America (UAW) has been criticized for its aggressive brand of unionism and by and large this reputation cannot be denied. Labour people generally would concede that the social vision and economic goals of the U.A.W. are more progressive than most unions. The U.A.W. is noted widely for its liberal philosophy, its democratic organization, its research activities under the guidance of acknowledged experts and its imaginative leadership. The character of the union, however, as we have already indicated probably is largely the result of the social and economic environment which gave it birth. If the U.A.W. is a "tough" union, it is so largely because of the rough-and-tumble situation in which it emerged.

### Improvement

It is interesting to note that the community has been experiencing comparative peace in the last four or five years and that the number of manhours lost through strikes and lockouts has been declining. The situation is much improved and it would appear that a certain amount of maturity and tolerance now characterizes the relationship. The industrial relationship of the past



is now beginning to develop into a "working harmony" type of relationship.

It is our feeling that the problem of labour-management relations has been much over-emphasized. The community has to ensure that its leaders look ahead rather than backward in respect to labour-management relations. There is no doubt that the migration of industry from the area during the last ten or twelve years has tended to focus attention on the labour-management relationship factor. On the other hand there are a number of companies which have relocated whose managements have said that labour relations were not a factor in their final decision to move from the community. Many manufacturers within the City have also said that they enjoy labour-management harmony which repudiates further the City's reputation for poor industrial relations.

#### Recommendations

We feel that there are a number of moves which can be made in this area to ensure that a healthy labour-management relations atmosphere generally prevails. A number of steps in this direction have, in fact, already been taken. The problem seems to be one of erasing a past reputation and ensuring that in the future the positive aspects are emphasized rather than the negative. A public relations program should be undertaken by the community to make sure that the best possible image of the City is put forward in regard to its attractiveness as a location for industry. This public relations aspect is so important that serious consideration should be given to the employment of a skilled public relations expert, on a permanent basis, by the municipal administration. In this way the best possible job can be done in creating a picture of Windsor which will minimize the unfortunate publicity of the past and maximize the assets of the community. This public relations expert should



work closely with a committee of representatives of labour, management, the City Hall, and the Greater Windsor Industrial Commission.

The Ontario Department of Labour should be asked to provide at all times a high priority for the consideration of labour-management disputes in the Windsor area so that the appointment of conciliation officers and boards may be made quickly. This would ensure that the festering which accompanies such problems is kept to an absolute minimum. The practice of good industrial relations has always demanded speedy attention be given to problems when they occur. Surplus manpower areas might well receive Labour Department priorities so that remedial conciliation and arbitration processes could be made available quickly to prevent further aggravation of the problem.

It has seemed that one of the biggest impediments to sound labour-management relations is their lack of communications and consequent lack of understanding of the problems. A crisis sometimes develops before discussions begin. Hard positions are taken, distrust is created and finally in some cases, the communications process, handicapped from the start, breaks down. In Windsor labour should be represented in most institutional and agency groups working with community problems.

#### Labour Costs

Mention has been made of the general significance labour costs have assumed in the mind of the employer. Industrialists are most conscious of it as a locational factor of importance.

A government report prepared in 1958 attributes the generally high wage level in the community to the high wages paid in the automotive industry and the pressure on other non-automotive manufacturers as well as all other



employers to pay competitive rates in order to secure labour. In this connection the report states that "the high prevailing wages paid has stopped firms from locating in the area and has influenced others to relocate, thus inhibiting diversification in the area".

Because of the importance attributed to high labour costs in the Windsor community, the Study Group examined wage rates closely. (See Table I, page 15). In 1951 there were only two other cities listed in Ontario whose average wage rate was higher than Windsor's and then only by small amounts. In 1961, Windsor was exceeded by four other cities with Peterborough near Windsor's level. The percentage increase in wage rates in the various localities for the period 1951-1961 is also significant. Windsor's average hourly earnings increased only 52% though the provincial increase was 54%. Six of the cities shown experienced a larger percentage gain from 1951 to 1961 than did Windsor. The differential between wage rates in Windsor and other centres is narrowing.

It is likely that the rate of increase in average hourly earnings for Windsor has been slowed by the advent of small business and commercial establishments into the area, whose workers are non-union. It is likely, too, that in some instances the unions have exercised an informal and voluntary form of wage restraint in collective bargaining. Windsor's position in this comparison may be somewhat distorted by the predominance of male employees in the larger Windsor plants.



TABLE I

Average Hourly Earnings of Hourly Rated Wage Earners in Manufacturing

Urban Areas in Ontario

<u>City</u>	<u>1951</u>	<u>1961</u>	<u>% Change</u>
Sarnia	1.49	2.54	70
Oshawa	1.47	2.30	57
St. Catharines	1.42	2.23	59
Hamilton	1.38	2.22	61
<u>Windsor</u>	<u>1.45</u>	<u>2.21</u>	<u>52</u>
Peterborough	1.27	2.20	73
Niagara Falls	1.33	2.03	55
Toronto	1.24	1.85	49
London	1.20	1.80	50
Brantford	1.29	1.80	51
Kitchener	1.12	1.68	50
Galt	1.08	1.63	51
Ontario	1.25	1.93	54

Source: Review of Manhours and Hourly Earnings, 1945-1961.  
Dominion Bureau of Statistics.



There are other factors which can account for high average hourly earnings for industrial centres such as (i) the high capital investment demanded by the nature of the industrial process, (ii) the cyclical nature of employment within an industry and the efforts by unions to lessen the impact of periodic or seasonal layoffs, and (iii) the predominantly male labour force. Other communities with which Windsor is frequently compared have larger female forces and D.B.S. figures ignore this important factor.

In conclusion, the evidence seems to indicate that Windsor's wages are higher than those in many Ontario cities but that its comparative position in 1961 was not as high as it was in 1958. It would appear that the differential between Windsor and other centres is continually narrowing thus allowing Windsor to become more competitive and more attractive for industrial location purposes. This seems to be not so much a case of Windsor losing its wage position as of other centres moving in line with Windsor as economic integration within the province takes place.

#### UNEMPLOYMENT

In the Introduction we identified unemployment as a serious symptom of Windsor's economic and social ill-health. The Windsor employment index is about the lowest figure for communities included in the monthly survey of Employment and Payrolls of the Dominion Bureau of Statistics. Unemployment is the end result of a number of conditions affecting the area, many of which are beyond the immediate control of local government.

Senior governments can help to alleviate unemployment. Intensification of winter works projects and home purchase subsidies, as recently announced by the federal government, are illustrative of steps that can be taken to relieve winter unemployment.



Certain variables such as tariffs, freight rates, sales and excise taxes, etc. which have special meaning for Windsor industry should continue to receive the close attention of industrial and municipal bodies in an effort to ensure that they do not inhibit or unfairly restrain local industrial development. The federal and provincial governments should be kept continually aware of the relationships between these factors and area employment levels.

Unemployment can also be partially relieved by according Windsor every consideration with respect to the location of institutional facilities in this area.

The efforts of the Industrial Commission and other bodies to relieve unemployment and counter-balance the dominance of the automotive industry through the acquisition of new plants of a non-automotive nature are praiseworthy and have offset, in part, the unemployment created by movement of companies from the area. While the balance with respect to jobs added and lost continues to show as a liability, it appears difficult if not impossible, soon, to completely compensate for the loss of the Ford Motor Company assembly operation. It will be difficult to attract large new industry but considerable potential would seem to exist with regard to light industry.

Unions in the Windsor area have been seriously concerned with local unemployment because it directly affects their members. The U.A.W., as the dominant union in the community, has been especially affected and as a result it recently petitioned the Ontario government to assume a more direct and controlling role with respect to industrial relocation and the establishment of new industrial enterprises. The Union's concern is not solely with the Windsor situation but with the need for analysis, planning and co-ordination of industrial growth throughout the province generally. It is disturbed by the continuing and increasing concentration of industry in the Toronto-Hamilton-Niagara



strip. Because of this trend, other areas in the province suffer according to the U.A.W.

It has been suggested that the Planning Act R.S.O. 1960 could be amended or supplemented to provide an inducement, and to influence industry to locate or remain in areas of high unemployment such as Windsor through measures designed to discourage movement into areas of high density development, and for that purpose, the useful features of the United Kingdom Employment Act of 1960 and the Town and Country Planning Act of 1947 could be employed.

Such recommendations have many ramifications but we agree that there is need to ensure that proper industrial orientation be facilitated by making such moves as the political and social climates of the times demand. With legislation of a similar sort having been in effect for some time in other industrialized nations, it would seem most appropriate that government in this country keep very close to the issues raised by the U.A.W.

Windsor shares with all of Canada the problem of coping with unemployment without full knowledge of Canada's manpower resources. A Senate Committee reported on certain aspects of this in 1960 but the situation is not static, and more detailed knowledge is required.

It is wasteful to start "training" the unemployed until it is known what their present skills are and what they should be trained for. The federal government should at once carry out manpower audits in those areas designated as surplus manpower areas.

We feel that there are certain facts relating to this problem which the community can and should obtain for itself. To accomplish this objective we suggest the establishment of an Industrial Relations Research Centre at the University



of Windsor. Such a centre would not solve the areas's problems overnight but it could collect facts, a prerequisite to solving the problem.

Ontario industrial relations research is now largely confined to a centre at Queen's University. We feel there is need for another such centre in the province and Windsor is a logical location with its highly industrialized economy and its university.

We do not know in which fields the new University of Windsor intends to concentrate its resources, but we feel that the industrial relations centre deserves consideration. Windsor provides much source material for field research in the applied social sciences. With support from the city and the province, the University could make a significant contribution in this field.

Some of the studies such a centre might undertake are:

- (a) causes of unemployment in the area including seasonal and cyclical factors, automation, plant migration, etc.;
- (b) Size and nature of the female labour force;
- (c) labour skills available to the community;
- (d) relationship of school drop-outs to the unemployment problem;
- (e) amount of "moonlighting";
- (f) influence of the commuter labour market on employment levels within the Greater Windsor area;
- (g) factors influencing labour costs in the area;
- (h) the relationship between immigrant settlement in the area and employment opportunities;
- (i) studies of fringe benefits and their costs accorded Windsor workers and workers in other centres;



- (j) factors relating to policy decisions involving plant relocation;
- (k) factors strengthening or weakening the bond between local plants and the community;
- (l) continuing and detailed examination of community wage rates.

Other studies could be added but those mentioned give an idea of the types of projects which the centre could undertake.



MARKET EXPANSION AND INDUSTRIAL DEVELOPMENT

To increase employment and provide job stability, the employers now in Windsor must remain in Windsor, industry must expand and new enterprises must be attracted. This section on "expansion and development" is primarily a discussion of problems from the standpoint of employers now in Windsor. It is important that industrial and commercial enterprises already present be encouraged to remain in the community and to expand. Action taken to encourage existing industry will also increase the attractiveness of the area for potential newcomers. Efforts, therefore, should be made to alleviate those conditions which adversely affect existing employers.

OBSTACLES TO EXPANSION AND DEVELOPMENT

Policies to encourage companies to remain in Windsor must recognize that adverse conditions do not affect all businesses in the same manner or to the same degree. Differences in problems ought to be identified for each type of business. For example, Chrysler is Windsor's main automobile producer. Its major problem is national competition from General Motors and Ford. The auto parts suppliers' main problem is unutilized capacity because of competition from U.S. companies in Canadian markets and the difficulties they experience in competing efficiently for U.S. markets. For many industries the major problems may be freight rates or productivity, while the prime problem for some small companies is labour costs.

In the area of variable costs, freight rates deserve separate comment. There is considerable evidence that Windsor suffers from inequitable rail freight charges. As stated in the Brief of the Greater Windsor Foundation (April 1963), "A policy which denies Windsor its geographical advantages in western shipments and at the same time penalizes it for its geographical disadvantages in eastern shipments is surely untenable."



There is some doubt as to how much Windsor's industries would benefit if they were allowed to utilize their freight advantage to the west. The Battelle Report says, "It seems doubtful that Windsor's practical competitive advantage over central Ontario points would be substantial under normal service or rate structures". Zone rates to the east would be more of a competitive gain than mileage rates to the west, but may be more difficult to secure.



EXPANSION AND DEVELOPMENT THROUGH DIVERSIFICATION

We believe that diversification into new products and new markets offers the greatest promise of successful industrial expansion. Windsor's location is such that it is difficult for Windsor businesses to reach many Canadian markets. The location may be used to Windsor's advantage. Success for substantial industrial growth will depend on Windsor's ability to overcome the disadvantage of its location.

Diversification of products is a complex subject. The most likely possibilities for diversification appear to be the developing of U.S. markets. Since Windsor is at the heart of one of the most highly urbanized and industrialized areas on the continent, it should try to exploit this U.S. market to the full. There are three possibilities of expanding into this market; bidding for U.S. private business, bidding on U.S. defence contracts, and bidding on a subcontract with a U.S. company holding the prime contract. Some Canadian manufacturers have successfully invaded U. S. markets in recent years with high quality products of distinctive styling or design. Windsor manufacturers trying to follow these examples should have an advantage over firms in other Canadian cities because of Windsor's proximity to this market.

Businessmen cite the following obstacles to U.S. market penetration:

- (i) The U.S. parent company's failure to accept bids from Canadian subsidiaries,
- (ii) Tariffs and custom regulations and practices,
- (iii) The lack of experienced marketing personnel,
- (iv) Difficulties in establishing branch offices and distribution facilities,
- (v) U.S. - Canada dollar differences,
- (vi) Problems of quoting F.O.B. Detroit, or the customer's location,



- (vii) The U.S. Government's defence contract "set aside" policy,
- (viii) Inexperience in selling in foreign markets.

If the obstacles cited can be overcome and Windsor firms can successfully penetrate the large U.S. market, the economic prospects for Windsor will be very good, and income and employment could exceed previous levels.

### RECOMMENDATIONS

Two major topics have been considered in this section: (i) obstacles to expansion, and (ii) diversification, as a means of achieving expansion.

With regard to the first topic, it is suggested that a survey be made among top management groups in the Windsor area to determine their problems as they see them, to ascertain the relative importance of these problems, and to see how they vary with different types of businesses.

Factors related to unused capacity and transportation costs should be investigated. An analysis should be made of the unused capacity with a view to estimating the productive potential for the U.S. market. The investigation of significant transportation costs should provide data which could be used in an effort to persuade senior governments to remove economic inequities from an area that is already at a disadvantage as far as Canadian markets are concerned.

Diversification would appear to provide the Windsor area with the greatest opportunities for economic growth. In large measure private business must hold itself responsible for expansion into new products and new markets. This is, in a sense, a bootstrap operation which must be initiated by local businessmen and manufacturers. Non-profit organizations such as the Greater Windsor Industrial Commission should provide assistance and their facilities should be utilized as much as possible. Senior governments must



make contributions in the area of customs and tariffs. The efforts of all three groups must be integrated. The following suggest ways in which diversification may be encouraged.

There should be reliance on local private organizations. A central group such as the Greater Windsor Industrial Commission should assume responsibility for assisting Windsor businessmen with such matters as manufacturers' arrangements, bidding on contracts, tariff and customs regulations, etc. The Greater Windsor Industrial Commission is already doing much of this work but to provide maximum assistance it may be necessary to expand its facilities. Other organizations outside the Windsor area should be called on for assistance, e.g. Industrial Development Bank, Ontario Development Agency, Ontario Research Foundation, Greater Windsor Foundation, Chambers of Commerce, Trade & Commerce, Economics & Development.

With respect to diversification, the federal and provincial governments should be called upon to do everything possible to assist Windsor businesses to enter the U.S. market. This major role for the senior governments may be illustrated by the following examples:

- (i) The Canadian Consul General's office in New York is determining from 1500 U.S. companies the possibilities of increasing sales of Canadian products to the U.S. market. One goal is increased rationalization of Canadian production in Canadian subsidiaries in co-operation with parent U.S. organizations.
- (ii) United States tariffs and customs regulations tend to be less clear and well-defined than Canadian regulations\*. Canadian manufacturers often are unable to determine the U.S. tariff prior to shipment. Much work has been done to improve this situation, but more is needed.

\* Some clarification of Canadian regulations and consistency in application of these regulations by various appraisers would also be helpful.



If Windsor is to grow; (i) encouragement must be given existing industry to remain in Windsor and (ii) maximum assistance must be provided manufacturers in their efforts to expand their operations through diversification into new markets and new products. The U.S. provides a potential market and efforts should be made to exploit it. Since many of Windsor's companies are U.S. owned, U.S. parent company policies must be taken into account.

Finally, Windsor should not overlook the importance of bringing American customers to the Windsor area. This can be done by offering products and services which differ significantly and are superior to those available in adjacent U.S. areas. The shoreline of Essex County provides great potential for recreational facilities that would prove very attractive to Detroiters. Windsor's good reputation for items such as bacon and hams could be extended to other products namely fresh fruit, vegetables, and other farm products for which the surrounding agricultural region is famous.



COMMUNITY BETTERMENT AND MUNICIPAL EFFICIENCY  
AS RELATED TO WINDSOR'S ECONOMIC PROBLEMS

In the 1950's industrial employment in the Windsor area dropped by approximately 10,000. This loss of employment is the result of movement of a large segment of the automotive industry as well as small industry from Windsor, automation, and market penetration of imported automobiles and parts with no commensurate creation of employment through development of new and existing industry.

The factors usually associated with problems of industrial decline have been discussed in the foregoing sections. The underlying and no less important factors of community betterment and municipal efficiency are frequently overlooked.

COMMUNITY BETTERMENT

Studies have indicated that one of the most important locational factors of light industry is a pleasant community in which to live and work. This is particularly true of manufacturers of items of small size and high value, for which transportation costs are not greatly significant. These "foot-loose" industries can locate in almost any community and every community wants them. The most important requirements of these industries are skilled labour and capable management. To stay abreast of competition, they must attract and hold first-class management people, scientists, technicians, and skilled labourers. These people want to live in attractive communities with superior amenities such as housing, shopping, transportation, public utilities, education, recreation, entertainment.

The significance of the community environment in holding and attracting such industry must not be underestimated. This is a particularly important consideration for Greater Windsor because the community is presently hampered by its public image and because this important factor can be corrected by local



action. The locational disadvantage of Windsor may in our opinion be more than offset by a good community environment. The Windsor area has many natural advantages which should encourage it to create an urban environment for industry superior to that of most of its competitors. We are aware of the fact that the Greater Windsor area has made substantial efforts to improve its community environment. An impressive start has been made on developing the waterfront for park purposes. There are several attractive well-kept residential districts. Recent new public buildings such as the auditorium, the city hall, the municipal court house, and the airport terminal have added significantly to the general attractiveness of Windsor. The area has a number of important educational institutions including the University of Windsor, a Teachers' College, and the Western Ontario Institute of Technology. In addition, Windsor is within daily commuting distance of a large number of universities and institutes in Michigan. The proximity to Detroit also provides access to a wide range of cultural, entertainment, recreational and shopping facilities.

The sections of Windsor the visitor usually sees are unattractive. Undesirable aspects of the community include rundown central business district, a sprawling suburban development, mixed land-uses, and vast empty spaces. There are differences in quality of municipal services from one area to another, and a fragmented municipal organization. All of this projects to the outsider a poor image of a one-industry town with few big-city amenities.

We believe that a well organized, efficient, and attractive municipality is an extremely important factor underlying the economy of an urban community. Fortunately, it is a matter about which the citizens and municipalities themselves can do something.

It is our belief, however, that it will be virtually impossible to achieve the desired goals and project a more favourable "Windsor image" without the action of all municipal governments, agencies, boards and special interest groups within the Greater Windsor area.



### MUNICIPAL EFFICIENCY

Greater Windsor is a social and economic unit and there is little hope of it solving its problems without concerted action by all parts of the unit.

Earlier studies of Windsor's problems have mentioned, with varying degrees of emphasis, the need for a unified approach to community development, but these studies seem to relegate community organization and municipal efficiency to a position of secondary importance. We believe this to be incorrect. We believe that this is an area of primary importance needing urgent attention. In fact, we believe that unless the Greater Windsor municipalities pool their resources in community planning, civic administration and economic development, all other efforts will likely provide less than adequate solutions to the area's economic problems.

Only through co-ordinated effort can the community be made more attractive and convenient; only through co-ordinated effort can an efficient land-use pattern be evolved; only through co-ordinated effort can adequate services be provided to all parts of the community; only through co-ordinated effort can the waste of over-extended and duplicated services be avoided; only with co-ordinated effort which demonstrates consolidation of purpose, is the Windsor community likely to hold and attract industry; and only with a unified voice is the Windsor community likely to obtain appropriate assistance from senior governments.

Other urban areas in Canada and United States may be able to afford the extravagance of municipal fragmentation. The Windsor area, in our opinion, cannot.

Several of Windsor's municipalities and agencies seem not to appreciate the urgent need for a unified program of community betterment and municipal efficiency. The following quotations document the need for concerted effort and make an eloquent general case for the absolute necessity of a unified



approach to the economic problems facing Greater Windsor.

"...it seems likely that efforts to improve the community as it now stands might best be the principal goal. ... In some instances community characteristics readily over-ride definite economic handicaps when management is faced with growth decisions entailing possibilities for relocation...Although basic production and distribution economics would have been adequate reason for the recent removal of industries from Windsor, faulty community attitudes may have reduced the desirability of continuing operations in the area to a critically low level. ... In all likelihood the most effective development of the Windsor area requires extension of co-operation and effective functioning of planning, working, and promotional groups beyond the present limits of Greater Windsor."

- The Battelle Report, 1958

"The Institute is convinced of the very real importance, one might even say of the outright necessity for metropolitan planning of future land use. Greater Windsor cannot afford the continuation of the present excessive scatteration of urban developments while much serviced land remains vacant or poorly used, while there are traffic problems, difficulties over water supply, sewage disposal, etc. Short of the creation of a single planning agency with the power to plan the entire metropolitan area as a unit and to see to it that such plans are taken up, it is difficult to see how Windsor can effectively revitalize itself as a major industrial trading centre.

"The merger of planning responsibilities seems to us more important than joint participation in support of an industrial commission. A metropolis which is well planned and well managed in part will sell itself whereas in the long run the work of an industrial commission is bound to be limited by the quality of the product it has to promote."

- Local Government Study  
by Citizens' Research Institute  
of Canada, 1959

"The built-up areas of the City of Windsor and the adjacent nine municipalities form a compact physical, social and economic unit. Nevertheless they live together as dissimilar organisms each with its own ends, standards, and regulations. They are highly interdependent and in spite of great disproportion in wealth indissolubly share the same economic base."

- Faludi Report on Urban Renewal,  
1959.



"The urbanized area around the City of Windsor and the City itself is a single community both economically and socially. Development under eight municipal governments has tended to waste money sorely needed in providing facilities for the total Windsor community."

- The Windsor Community by Planning  
Consultants Anthony Adamson and  
Norman Pearson, 1962.

"The Board finds on the evidence that the whole urban and suburban community centered on the core City of Windsor has many interests and problems in common. ... There are certain area-wide problems of a special nature which are both serious and urgent. In the first place the uncertain industrial outlook is perhaps the most urgent. The past seven or eight years have seen a larger number of industries leave Windsor. In that time industrial employment in the area has dropped from over 43,000 to 27,000. This indicates a critical situation that demands concerted effort by the whole population to reverse the trend."

- Ontario Municipal Board Interim  
Report on City of Windsor  
Annexation Application, 1962.

#### EFFECTS OF UNCO-ORDINATED ACTION IN THE WINDSOR AREA

The following is an analysis of some of the problems that have resulted from unco-ordinated action in the Windsor area because of political fragmentation. The facts and opinions expressed here have been presented to the Windsor community in a number of reports. The general conclusions are similar to those reached in studies of many different urban areas in North America.

#### Provision of Municipal Services

A remarkable land boom in the 1920's resulted in grandiose development plans and a rapid extension of paved roads, sidewalks, hydrants, and water mains. With the slow-down in the 1930's, many of these serviced areas were never developed. The registered plans are no longer suitable. The municipal services have deteriorated and have become outmoded. This was obviously a waste of capital investment in services.



Unnecessary waste in the provision of services continues. Services are being extended to outlying suburbs while serviced land closer to the central city lies vacant, awaiting development. Further extravagances occur when several municipalities equip themselves to provide services which should be provided by only one. There are sharp differences in the range and quality of services offered the different municipalities. These differences are increasing, because some of the suburban municipalities are improving certain services while others are not. Thus, the merging of services will become more and more difficult with the passing of time.

The Report of the Citizens' Research Institute provides a detailed account of the effects of divided jurisdiction in the Windsor area on the whole range of municipal services. Water and sewage services are discussed below because they are primary services, they dictate the rate and pattern of urban growth, and it is with these (particularly sewage disposal) that the Windsor area is having a great deal of trouble.

#### Water Supply

There appears to be no need for two water supply systems in the area. Apparently a conflict over policy on rates and supply led to the setting up of the Riverside water plant. The City of Windsor presently sells water to all of the suburban municipalities except Riverside, Tecumseh, and St. Clair Beach. The Windsor plant has more than double the pumping capacity needed to meet the forecast water demand for Greater Windsor up to 1976. It appears that the second plant at Riverside is unnecessary, and its operating costs needlessly impinge on the financial resources of the community.

Despite the fact that the Windsor Utilities Commission supplies water to a number of municipalities, it has been unable to exert any control over distribution, layout, design or engineering specifications. The sale of water to all



comers without relating water supply to municipal planning and finance programs, has greatly encouraged costly urban sprawl. The suburban distribution systems, which are independent of the City of Windsor, are a patchwork of pipelines (e.g. large mains feeding into small mains and then back into large mains; defective supply at the ends of non-loop lines) that results in inadequate pressure in some areas despite an abundance of water. The longer this continues, the more costly it will be to integrate all of the feeder systems into one effective unit - a step which must ultimately be taken.

#### Sewage Disposal

Water is normally supplied in the Windsor area well ahead of sewers, and there is a substantial backlog of work to be done on sewage and storm drains. The City of Windsor has a sewer system, but all of the sewage is discharged into the Detroit River totally untreated. On the other hand, several suburban sewage disposal plants have inadequate sewer systems. The inland suburban disposal plants treat the sewage only partially. Many septic tanks are connected to open drainage ditches. In all the suburban municipalities except Riverside, most of these open ditches and natural streams are severely polluted. There is frequently more raw sewage than natural run-off!

Municipalities in the Windsor area will soon be forced by the Ontario Water Resources Commission to modernize their sewage systems. The Ontario Municipal Board Interim Annexation Report states that the lack of sanitary sewage treatment is a very serious and urgent problem requiring joint effort. The Report states, "An overall plan of sewage treatment cannot be undertaken now and may not for a very long time if the resources of the municipalities are not pooled and a unified attack made on this giant problem". Failure to solve the pollution problem could conceivably lead either to a provincial order to halt all further development or the O.W.R.C. taking over the entire sewage system and charging the municipalities



for the necessary improvements.

An engineering study (Gore and Storrie) prepared for the City of Windsor indicates that the inland suburban municipalities could best be served by having their sewage pumped into the City of Windsor sewers to be treated in one or two central disposal plants. The Report indicates \$1,000,000 could be saved in the next decade by joint provision of sewer services for the entire urban area.

### Land-Use Patterns

Because of the haphazard provision of services in Greater Windsor, and because of the lack of adequate overall development control, the patterns of land use in the Windsor area have been dictated primarily by real estate speculation and intermunicipal competition for industrial and commercial assessment. As a result an irrational and generally unattractive and uneconomic pattern of land use has evolved.

#### Residential

Much new residential development has been permitted to occur in long narrow ribbons or in a patchwork pattern. Vacant land which should and could have been serviced more economically separates these premature subdivisions. Residential subdivision has been almost totally unrelated to metropolitan needs or community structure. Streets have often been laid out without regard to communication patterns or servicing feasibility. Housing has been permitted to develop in such inappropriate locations as adjacent to the metropolitan airport, thus assuring costly redevelopment or relocation at some later date. In some suburban districts there is already evidence of rapidly declining values resulting from inadequate planning and building controls.

#### Industrial and Commercial

Within the City of Windsor there is insufficient industrial land, while



the suburban municipalities have unrealistically over-zoned for industrial development. Over 6,000 acres have been zoned for new industry in Greater Windsor, while the most optimistic forecasts indicate that 2,000 acres will suffice until 1980. The result has been the removal of 4,000 acres of land from development for over 20 years. In addition to this needless and uneconomic competition for industrial assessment, industry is often located in undesirable and inefficient locations.

Shopping centres in the suburban areas are frequently unrelated to the needs of the whole urban community. In the suburbs there seems to be little concern for the problems of the central business district which serves the whole urban area. It seems to have been forgotten that the image and well-being of the total community are inseparably linked with the central business district. The study of and solutions to the problems of commercial expansion and redevelopment is in fact the concern of the entire area, and the community will suffer until this is recognized.

#### Road Network

Political division and the lack of a co-ordinated or comprehensive plan have given the area an inefficient network of roads. The east-west street network is inadequate. Many north-south streets intended for local use are being over-used because of the lack of properly designed "through" streets, and some roads become narrow or jog when they cross municipal boundaries.

Co-ordination problems are well illustrated by Third Concession Road, which passes through Sandwich East and Sandwich West. Most authorities agree that this road should be developed to relieve traffic congestion on Tecumseh Boulevard. The Governments involved have thus far been unable to agree on acquisition of right-of-way, appropriate widths, or control of adjoining land uses. The municipalities under the present arrangement are in fact incapable of solving their mutual transportation problems.



A good transportation plan has been prepared for the Windsor area, but this plan cannot be fully implemented unless the effort is co-ordinated.

### Planning

Planning encompasses more than the allocation of land uses. To be effective it must be integrated with budgetary policy. Planning provides a guide for municipal policy decisions involving financial as well as physical considerations. Proper planning ensures that all the activities of local government are directed toward a well-defined goal. The conditions described above indicate clearly the need for co-ordinated planning in Greater Windsor. The policies and actions of all Greater Windsor municipalities must be directed to the goal of maximizing the assets of the urban community. Planning, properly conceived and directed, serves to integrate the human and physical resources of the whole community.

Planning apparently has not been considered an essential function of local government in the Windsor area and planning activity has been hampered by lack of inter-municipal co-ordination among planning agencies. Windsor is the only municipality with a professional planning staff. The City spends 87 times as much annually for planning services as does Sandwich East, though Sandwich East has one tenth the population. Sandwich South had a planning budget of \$25.00 in 1961. On top of all this, the dollars spent on planning in the area are not doing as much for the public as they should because the Subsidiary Planning Areas act independently.

Some municipalities of Greater Windsor have no Official Plan. Others have worked independently so that existing plans do not provide a co-ordinated unity for an area which is a social and economic unit. The Area Planning Board has failed similarly to guide economic and physical development in relation to the well-being of the whole community. The Board appears merely to iron out minor problems instead



of attempting to direct development of the urban area.

This lack of effective area planning has resulted in many deficiencies. Servicing instead of encouraging development, has had such haphazard growth that development has been retarded. Furthermore, a backlog of capital needs beyond the financial abilities of individual municipalities has been permitted to build up. There exists no concept of size, form, and shape for the metropolitan area, and there is no program to provide for development of services and public works on a pay as you go basis.

In 1935 the Province united Windsor, E. Windsor, Walkerville, and Sandwich. In the following years annexation failed to keep pace with urban growth and by the 1940's political fragmentation had recurred. In 1945 planning consultant E.G. Faludi prepared a plan entitled, "Windsor's Master Plan, 1945 - 1975". It covered the City of Windsor and its suburbs and was an attempt to again make Windsor a unified community. It suggested, for example, that Windsor should fill in the spaces between the leapfrog development, and that development should be on full services. The Faludi Plan was not implemented because the Area Planning Board and the individual municipalities failed to take action. As a result, sprawl has continued to such an extent that the Faludi Plan has been abandoned.

The amalgamation of 1935 was a solution for the problems of that time, but it proved to be temporary, because no control was established over the urban fringe. The Faludi Plan would have prevented many of today's problems, but it too failed because of a lack of effective machinery to implement it, and to maintain control over the urban fringe. Sound industrial expansion is unlikely to occur in an aggregate of communities with low overall municipal efficiency, and an area without the machinery to provide sound municipal planning cannot be efficient.



The conclusion is inescapable, therefore, that a central planning body empowered to act should be established for the Greater Windsor area as soon as possible.

#### Area-wide Agencies

The existence of a number of area-wide agencies in the Windsor area is sometimes cited as evidence of a measure of intermunicipal co-operation and co-ordination. Frequently such organizations come into being in response to a lack of intergovernmental co-operation, and are not really effective in overcoming the problems resulting from political fragmentation. It would seem that these organizations are evidence of the frustrations inherent in the current political structure. Even the Greater Windsor Industrial Commission, one of the most active and successful of its kind in Canada, has had difficulty in maintaining the interest of the Town of Tecumseh, one of the Greater Windsor municipalities.

#### Tax Base

Our system of real estate taxation is such that residential properties cost the municipal treasury more for services than they yield in taxes. Industrial and commercial properties yield more than they cost. For this reason, of course, every municipality desires as much industrial and commercial assessment as it can get.

The ratio of industrial-commercial assessment to residential is about 60/40 for the City of Windsor. All of the suburban municipalities (except



Ojibway<sup>1</sup>) have insufficient industrial-commercial assessment to provide the urban services required. The ratio of industrial-commercial assessment to residential in the suburban municipalities ranges from a high of 37/63 for Sandwich East to a low of 8/92 for Riverside. This low industrial-commercial tax base is overcome in part, at least, by one or more of the following: (i) lower standards of services, (ii) dependence on the City of Windsor for some services, (iii) higher local improvement rates or prepaid services, (iv) provincial grants which are higher for townships, towns, and villages than for cities.

"If it were not for the present structural provincial grants any suburban municipality except Ojibway would be labouring under a financial handicap."

- Citizens' Research Institute of  
Canada

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<sup>1</sup>Ojibway is a peculiar municipality. It is owned by Morton Chemical of Canada Limited and receives a mining grant. It has no residents at all, and seven employees of the Company constitute the entire municipal working force. In addition to serviced areas which are suitable for industry, Ojibway contains a large acreage of excellent residential land which is entirely without services. The failure to develop Ojibway has been pushing both industrial and residential development farther from the centre of the Windsor metropolitan area. Also, the industrial assessment of Ojibway is in no way contributing to the welfare of the rest of the urban community.



### POSSIBLE SOLUTIONS

We urge marshalling the resources of Greater Windsor for a unified attack on serious area-wide problems. The lack of a co-ordinated effort is a major reason for the failure of Greater Windsor to solve its economic problems. Several approaches to a more co-ordinated form of local government are presented here.

#### (1) Intermunicipal Agreements

Municipalities sometimes seek to avoid duplication and waste in the provision of services by use of intermunicipal agreements. On a limited scale such agreements are useful. The magnitude of the servicing problems facing Greater Windsor is such that intermunicipal agreements are unlikely to provide a workable solution. They are subject to cancellation, the cost and quality of services provided may be changed, and often these situations necessitate legal arbitration. Such agreements often lead to undesirable conditions with respect to municipal financing. We feel that the decisive action required by present conditions cannot be obtained by extending existing agreements or introducing new ones. Of the various ways in which the resources of the area may be unified, intermunicipal agreements would appear to be the least effective.

#### (2) Intermunicipal Boards

One or more intermunicipal boards could be set up with responsibility in each case for a single municipal service, - water supply, sewage disposal, public health, planning etc. The weakness of the single purpose authority is that it removes the service in question from direct control of the responsible elected representatives and tends to foster policy of maximum benefit to each service in question without reference to the effect upon the other services. It substitutes a service jurisdiction problem for an area jurisdiction problem. We do not consider this solution to be adequate for the present needs of the Windsor area.



### (3) Two-Level Metropolitan Government

Major services that need to be centralized for greater efficiency could be transferred to a metropolitan government with the remaining governmental responsibilities left with the existing local municipalities.

Metro Toronto experience shows this to be only a stop-gap solution. This kind of federation encourages increased and better distributed municipal spending but does not equalize the tax capacities of the member municipalities. It does not direct development towards the most desirable pattern because municipalities continue to compete for industrial and commercial assessment and it adds the burden of an additional level of government to the area.

### (4) Complete Merger

All of the urbanized area could be amalgamated under one municipal government. The City of Windsor has applied to the Ontario Municipal Board for annexation of its surrounding suburbs. If this is granted, amalgamation will follow. This would maintain the type of local government with which people are most familiar and it would place the development of one economic community under one local government. It would enable it to provide services and to direct development in a manner advantageous to the entire area. It would permit the Greater Windsor community to speak with a unified voice and act in a co-ordinated way to alleviate unemployment. It would help the Greater Windsor community to project a favourable image of itself to all of the world.

A metropolitan merger might not result in lower taxes, but it would give the entire area more for its money. It would assure an improvement in the quality of municipal services, and in the efficiency of municipal management. It would in the long run produce an equitable tax load throughout the area.

Loss of local community identity is often cited as an undesirable effect of a large scale amalgamation. Experience proves this to be untrue.



Old municipal names along with local community pride are usually kept to identify major districts within the enlarged city. Many agencies and organizations are usually set up on a district basis for administrative efficiency.

### Ontario Municipal Board Interim Report

The Essex Border Municipal Commission recommended by the Ontario Municipal Board Interim Report is a type of metropolitan federation. The Report suggests that the Commission assume all powers and duties of a municipal council for the entire urbanized area with respect to (i) industrial promotion, (ii) construction and administration of all sanitary and storm sewers, (iii) all planning under the Planning Act, (iv) building and plumbing standards, (v) licensing and hours of closing, (vi) hospital grants, (vii) equalization of assessment procedures. In addition it suggests there be a Public Utilities Commission which would exercise jurisdiction for the sale of water and electricity throughout the area. This O.M.B. proposal requires special legislation from the Provincial Government.

We do not favour the implementation of these recommendations. We believe that the solution must be based upon the principle of pooling the financial resources of the area.

The O.M.B. Interim Report cites economy as a reason for not granting the City of Windsor the annexation requested. The Report states that the cost of upgrading the services of the suburbs to the level of those in the City of Windsor, combined with a reduction in provincial grants (resulting from the change to city status), would amount to between 1 and 1-1/2 million dollars per annum.

We believe this reason is largely invalid. The Province has special annexation grants whereby education and certain other factors are maintained at pre-annexation levels for five years, and on a decreasing scale for another five years. This would certainly lessen the severity of the loss of grants and



would give the unified Windsor community time to obtain the benefits of unification. If political consolidation made it possible to cut waste in the provision of services and to hold and/or attract even a moderate amount of industry, the loss of 1 to 1 1/2 million dollars would be more than offset. Between 1956 and 1962 the reduction in salaries and wages due to the loss of industrial employment in Greater Windsor averaged approximately 14 million dollars a year.

The anticipated loss in provincial grants appears to be the major obstacle to a metropolitan merger and we believe this obstacle can be overcome. Provincial grants are constantly being changed to meet changing conditions. Since municipalities are creatures of the Province, it has a responsibility towards them. In ruling on the amalgamation of the Windsor area in 1935, the Judicial Committee of the Privy Council of England stated,

"If local government in any particular area becomes ineffective ... it is not only right, but it would appear to be the duty of the provincial legislature to provide the necessary remedy so that the health of the inhabitants and the necessities of organized life in communities should be preserved."

We believe that local governments in the Windsor area, acting separately, cannot best create the kind of community the people want and industry prefers. The economic situation in the Windsor area is critical and the provincial legislature should provide financial assistance to facilitate a remedy.

The loss of grants and costs of upgrading services provide the only major obstacles to amalgamation. We recommend that the grant structure be changed to eliminate these obstacles and that the O.M.B. grant the annexation request of the City of Windsor.

The best course of action for the municipalities of the Windsor area is to obtain from the Province special legislation to reduce the financial burden of amalgamation. This may require a change in the grant structure or it may require special financial assistance to compensate for the loss of grants to pay for upgrading of services.

Metropolitan Toronto provides sufficient precedent for special assistance



to a group of municipalities struggling towards unification. When Metro Toronto was formed, the Province met the entire cost of re-assessment in the suburbs (\$825,000), created a special metropolitan category under the Unconditional Grants Act (net gain of \$1,117,000 the first year to Metro Toronto), paid the expenses of the Metro Toronto Council during the organizational period of 8 1/2 months, and adjusted grants on roads and schools so that there was no loss because of the change of status of some of the municipalities.

The credit rating of the City of Windsor is among the highest in Canada while that of the suburban municipalities is reported to be much lower. Amalgamation would make it possible for the suburban municipalities to share the financial status of the City of Windsor, and should provide the municipalities of the area a borrowing power greater than their present sum total. At the present time Windsor enjoys the lowest debt per capita of all major Ontario cities.

In short, amalgamation appears to be the solution to (i) creating a more attractive community environment, and (ii) eliminating waste and duplication in municipal government - both are essential to the solution of Greater Windsor's economic ills.

#### Additional Assistance from Senior Governments

Additional assistance is available from the federal government. As soon as the pending Municipal Development Act has been passed, Windsor should investigate the possibility of making use of this financial assistance. It is anticipated that this Act will permit a municipality to borrow money for public works at 6% interest and with a 25% reduction of the capital on projects completed by 1966.

Windsor is to be commended for the Brief requesting financial assistance from senior governments towards the cost of acquiring and clearing a blighted area within the City's central business district. Because a revitalized Central Business District will undoubtedly assist the economy of the whole area, all municipalities and organizations within Greater Windsor should support this Brief actively.



Effective Government and Regional Control

Effective Government

Political unification is only a start toward the solution of Windsor's economic problems. Political unification offers many potential benefits, but the exact structure of the government should be established only after a careful review. A pooling of resources, abilities, and experience from all the amalgamated municipalities seems desirable. The staff and facilities of the central City probably should form the nucleus of municipal departments in the new area-wide City, but operational efficiencies achieved by suburban departments should be utilized. We believe that the city manager form of government should be retained.

An adequate City Planning Group should be established for the area-wide City with at least three professional planners, some of whom should have had experience in metropolitan areas. This staff should relate economic and physical planning and work very closely with other City departments and agencies.

The industrial commissioner, planning director, treasurer, assessor, engineer, and other key municipal officials should meet often to formulate uniform proposals for the unified community. This would be a "technical advisory committee" to give advice to the city manager on such matters as the provision of services, land-use planning, industrial development, etc.

An important task of the enlarged City would be to formulate an Official Plan as required by the Planning Act. This would establish the pattern and density of land use, the staging of development, and a capital budget timetable for public works. The recent urban renewal study and the planning report provided by Adamson and Pearson would furnish useful guide-lines for the development of this Official Plan. Adequate zoning, subdivision, and building by-laws would then be required in order to implement the Official Plan.



### Regional Economic Development and Planning

Greater Windsor should make maximum use of the resources of its surrounding area. A healthy and prosperous region substantially benefits the central city, and Windsor has such a region in Essex County. There is need for an overall co-ordinating agency which would integrate the efforts of chambers of commerce, tourist development associations, industrial commissions, etc. This agency should have representatives from the various municipalities, from labour and management, and from existing promotional organizations.

Adequate regional planning is necessary for effective regional economic development. Even with effective government and planning of the urbanized area, the problem of controlling development of the fringe areas outside the City must still be dealt with. Without fringe control, the problem of haphazard low density development and overextension of services will recur. Two methods to provide this control over the fringe areas surrounding the new amalgamated City are discussed here:

- (i) The Greater Windsor Planning Area could be given planning jurisdiction over an area surrounding the built-up area - two or three miles, or whatever is necessary to cover the total "urban shadow". This planning area would abut an Essex County Planning Area which would have jurisdiction over the remainder of the County. The Essex County Official Plan and the Greater Windsor Official Plan would be completely co-ordinated. Essex County would permit urbanization sparingly and in accordance with overall area requirements. The division of planning responsibilities between the City and the County would be reviewed periodically.
- (ii) The Windsor Planning Area would stop at the Greater Windsor boundary and the Essex County Planning Area would take over from that point. An overall Essex County Official Plan would be developed co-operatively



by the City of Windsor and Essex County. This Essex County Official Plan would provide that urbanization take place only where services are available from adjacent urbanized areas. When such urbanization is permitted the new areas would be annexed by the adjacent urban municipality at once.

The second proposition would effectively control urban sprawl and would keep all urban areas under City government. It would also eliminate further annexation battles.



SUMMARYThe Major Problem

The Windsor Economic Committee was asked to review various studies and reports relating to the problems of the Windsor Community, and to submit recommendations. Unemployment emerged as the paramount problem.

Labour and Unemployment

Windsor's image is not as good as it could be, particularly in the area of industrial relations. The potential employer regards it as an area where labour-management relations have been tense. They see it as a high labour cost centre and as an area suffering from acute unemployment.

The Committee feels that this image is softening. Windsor has at times been unfairly represented and the public at large may not be aware of the strides the community has made in recent years to improve itself. Newspapers and other news media outside the area seem anxious to play up the negative aspects of the situation and to ignore improvements which have taken place.

During recent years, the number of strikes, lockouts and work stoppage in the Windsor area has declined. Management and labour are learning to live with each other and to work peaceably toward solutions to mutual problems.



Though industrial peace is by no means assured, certain steps should be taken by the community to maximize the gains already made. In this regard the following points merit consideration:

1. Organized labour should continue to be given a voice in community affairs wherever possible through its representation on all organizations dealing with community problems.
2. A reputation for things past continues to burden Windsor and we recommend the introduction of a public relations function with the municipal government to cope professionally with this most serious handicap.

Windsor is regarded by prospective employers as a high labour cost area. As a result of growing industrialization in other parts of the province Windsor's relative position has improved and is likely to continue to do so. A public relations expert should be able to present this problem in its true perspective.

Unemployment is still a major problem of the community. Though ultimate correction is likely to be provided only after major changes are made in community attitudes and municipal organization, the following should help speed relief:

1. Urge, through representation to senior governments, that legislation and regulations respecting tariffs, sales taxes, etc., do not have an inhibiting effect on the sale of products manufactured in the community.
2. Urge that special consideration be given Windsor with respect to the location of government and institutional facilities in the general area.



3. Ask the federal government for an audit of community manpower resources.
4. Consider the possibility of establishing an Industrial Relations Research Centre in the University of Windsor.

#### Market Expansion and Industrial Development

Windsor should work to retain its existing industry, and to attract new firms to the area. The difficulties which confront present employers, and which could lead to their re-location, should be thoroughly investigated and identified. Obstacles to market and product diversification such as tariffs and transportation costs are particularly important. Diversification of existing industry, based on a comprehensive analysis of local resources, skills, production costs, market demands and trends, etc., appears to offer the greatest potential for economic recovery. The possibility of entry to the extensive, nearby U.S. market should receive particular attention.

Surveys should be initiated to determine:

1. the needs of existing firms, to encourage them to remain in the area and to expand;
2. unused capacity;
3. significant costs relating to transportation - with a view to initiating government action in this sphere.

The area should continue to seek, and more vigorously, government review and action regarding tariffs and customs regulations and administrative practices between Canada and U. S.

#### Community Betterment and Municipal Efficiency

Community betterment is essential to improvement in greater Windsor's economy. Community betterment is necessary to hold existing industry and to



attract additional industry which Windsor so badly needs. Consideration should be given to improvement of the community environment as quickly as possible.

It will be impossible to achieve satisfactory community betterment and municipal efficiency, or to project a favourable Windsor "image", without securing co-operation and co-ordination of effort from all municipal governments, agencies, promotional organizations and special interest groups in the Area.

Co-ordination and unification will pool the resources of a politically fragmented economic unit. Only through co-ordinated effort can the community be improved, efficient land use and servicing patterns be developed, adequate services be provided to all segments of the Area, waste and duplication be eliminated, and industrial stability and growth be realized.

The Area cannot afford to continue its multiple political jurisdictions, its uneconomic patterns of growth and servicing, and its inter-municipal competition for industrial and commercial assessment. The urgent need for a unified programme of community betterment and municipal efficiency, as a fundamental step toward solving the present economic crisis, must be recognized.

We offer the following conclusions and recommendations:

1. Amalgamation is a necessity. It provides the only effective means of pooling the resources of the area and unifying the efforts to solve the area's economic problems.

The obstacles to political unification are not insurmountable.

The Ontario Municipal Board probably will call for political unification if the provincial government is persuaded to alter its grant structure and provide financial assistance for up-grading municipal services.

Area municipalities should immediately petition the appropriate government ministers for financial assistance to make amalgamation more economically feasible.

2. Maximum use should be made of existing and proposed programs of financial assistance from the federal and provincial governments (e.g. public housing, winter works projects, Central Business District redevelopment);



3. In an amalgamated, area-wide municipality the following should be maintained or introduced;
  - a) continuation of Windsor's city manager form of government;
  - b) an expanded and adequately staffed department of planning as an important part of municipal government structure with the planning and financing functions of government closely integrated;
  - c) a co-ordinated, comprehensive area-wide Official Plan - as quickly as possible;
  - d) provision for control of adjacent rural areas by means of regional development and planning agencies.
4. A continuing effort should be made to secure this provincial aid as quickly as possible in order that amalgamation may be achieved.

#### Concluding Note

There is no easy solution to the problems confronting Greater Windsor. Neither ambitious efforts at the local level nor legislative action by federal and provincial governments will provide the area with immediate relief. The trends which have produced unemployment cannot be quickly reversed. They developed over a period of years and correction is likely to require at least as much time.

The community is in need of senior government assistance, but senior governments alone cannot furnish "the answer" to present economic ills. Solutions will be found only by both local and senior governments working together.

This report has focused attention only on selected fundamental aspects of the situation. It is not intended to be definitive in spelling out specific and detailed steps for the needed program. Further investigation of other elements of the problem may be desirable. We believe, however, that the factors discussed in this report are basic to recovery. The Windsor community cannot afford to neglect these factors. Simultaneous action on all these fundamentals is essential.



The efforts of the total population of Greater Windsor must be enlisted to solve the community's problems. The people must be made aware of the nature of the problems and the possible solutions. With unified popular support and with co-ordinated community effort, the Windsor area will be on the road to economic recovery and prosperity.

The Committee is aware of the recent legislative action taken by the Federal Government in the matter of tax incentives and automotive parts imports. We are hopeful that the Greater Windsor community will benefit in employment opportunities as a result of this new policy, and the Government will keep a watchful eye on any possible adverse effects it might have on the Industry as a whole, and as a result thereof on the Greater Windsor Community in particular.

All of which is respectfully submitted.

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LeRoy D. Smithers, Chairman

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Murray A. Elder, Secretary

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Appendix A

ST. CLAIR REGIONAL DEVELOPMENT ASSOCIATION

Recently a St. Clair Regional Development Association was established under the aegis of the Ontario Department of Economics and Development. This Development Region has three zone subdivisions, one each for Essex, Kent and Lambton Counties. Few eligible communities have joined this Association because they feel that (i) there would be duplication of work done by other associations and agencies; (ii) the Association is too large and cumbersome; (iii) the costs to some would be greater than the benefits; and (iv) it would have no powers and there seems to be no clear-cut aims for the organization.

Windsor should keep this matter under review. Regional Development Associations can be excellent vehicles for co-operation between rural and urban municipalities on common regional projects. The rural areas usually fail to see the need for co-operating with cities in regional planning and development, and it is usually necessary for the urban areas to take the initiative. Care must be taken, however, to see that any such Association is used only to co-ordinate, and not to duplicate the work of existing associations and agencies, and provincial authorities must keep this in mind.

It seems unlikely that the Regional Association will be accepted by the communities until steps are taken to change or modify the features to which the communities object. If the co-ordination and development of area or county planning is to be a principal function, it is essential that there



be complete co-ordination of the activities of the Association with those of the Department of Municipal Affairs, the Department responsible for planning within the Province.



APPENDIX B

REPORTS, SUBMISSIONS AND MATERIALS REVIEWED FOR THIS REPORT

1. Greater Windsor Industrial Commission Master Binder:

- (1) Greater Windsor General Economy (April, 1963).
- (2) Table: Summary of Capital and Repair Expenditures for the Greater Windsor Area 1951-1962.
- (3) Border Buildings Incorporated: Community Development Companies (Remarks of M. A. Elder to Ontario Industrial Development Council, October, 1962).
- (4) A Submission by the Greater Windsor Area to the Government of Ontario and the Ontario Research Foundation (June, 1962).
- (5) (a) A Study of The United Kingdom Local Employment Act 1960 and The Possible Application of Some Features in Canada (April, 1961).  
  
(b) Letter: Rt. Hon. J. G. Diefenbaker, P.M. re: Industrial Incentives (February, 1962).
- (6) A Report on the Primary Iron and Steel Possibilities for Greater Windsor, Ontario (October, 1960).
- (7) (a) Annual Reports for 1958-1961: Greater Windsor Industrial Commission.  
  
(b) Annual Reports for 1949-1957: Industrial Promotion Committee  
  
(c) Report on European Trip (November-December, 1961).
- (8) (a) The Canadian Auto Industry and How It Affects You (Reports No. 1 and 2).  
  
(b) Greater Windsor Directory of Auto Parts Manufacturers (April, 1960).  
  
(c) A Study of the Canadian Auto Industry (June, 1960).



- (d) G.W.I.C. Comments on the Royal Commission Report on the Automotive Industry (July, 1961).
  - (e) The Community Auto Study Committee - Comments on The Royal Commission's Recommendations re: Automobile Industry (October, 1961).
  - (f) Letter: Rt. Hon. J. G. Diefenbaker, P.M. Re: Royal Commission on the Automotive Industry (February, 1962).
  - (g) A Profitable Market (October, 1961).
  - (h) Royal Commission on the Automotive Industry: List of Recommendations (1960).
- (9) (a) Letter: C. W. Rump, Secretary, Board of Transport Commissioners re: Transport Freight Rates Submission by Winnipeg Chamber of Commerce (September, 1956).
- (b) Report of M. A. Elder to Essex-Kent Division of CITL re: Winnipeg Submission to Board of Transport Commissioners (1958).
- (10) Memo: Members of Freight Traffic Committee from M. A. Elder re: Class Water Rates (March, 1962).
- (11) (a) Submission of the Southwestern Ontario Associated Chambers of Commerce to the Royal Commission on Transportation (March, 1960).
- (b) Transcript - Royal Commission on Transportation - Submission of the Southwestern Ontario Chambers of Commerce (March, 1960).
- (c) Minutes of Meeting of Freight Traffic Committee, Windsor Chamber of Commerce (December, 1962).
- (12) American Goods Returned Act (1956).
- (13) Memo: Members of Industrial Promotion Committee from M. A. Elder re: Investment Generating Employment (1956).
- (14) (a) The Battelle Memorial Institute Report of Economic Development Opportunities for Greater Windsor (March, 1958).



- (b) Report to Board of Directors, Greater Windsor Industrial Commission, re: Battelle Report (November, 1962).
- (15) Report of the Special Municipal Committee on Plant Movements (September, 1962)
- (16) Memorandum on Industry Location to the Prime Minister and Members of the Cabinet of Ontario by the International Union of United Automobile, Aerospace and Agricultural Implement Workers of America (U.A.W.); Canadian Region - G. Burt, Canadian Director, (October, 1962).
- (17) A City of Windsor Brief to the Windsor Economic Council on the Problem of the Windsor Area, (March, 1963).
- (18) Brief submitted by the Greater Windsor Foundation to the Windsor Economic Committee of the O.E.C., (March, 1963).
- (19) Appendix E. - Companies Moved into Windsor and Still in Business by Year of Establishment 1949-1962.





